

**ST. LUCIE COUNTY**



**SHIP LOCAL HOUSING ASSISTANCE PLAN (LHAP)**

**FISCAL YEARS COVERED**

**2010/2011, 2011/2012, 2012/2013**

## **State Housing Initiatives Partnership (SHIP) Program**

### **HOUSING ASSISTANCE PLAN**

**State Fiscal Years: 2010/2011, 2011/2012, 2012/2013**

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## I. PROGRAM DESCRIPTION

- A. **Name of the participating local government and Interlocal if applicable:**  
St. Lucie County

Interlocal: No ☒

Name of participating local government(s) in the Interlocal Agreement: N/A

- B. **Purpose of the program:**

Creation of the Local Housing Assistance Plan is for the purpose of meeting the housing needs of the very low, low and moderate income households; to expand production of and preserve affordable housing; to further the housing element of the local government Comprehensive Plan specific to affordable housing and to provide matching funds to the HOME Investment Partnership Program.

- C. **Fiscal years covered by the plan:**

☒ 2010/2011

☒ 2011/2012

☒ 2012/2013

- D. **Governance:**

The SHIP program was established in accordance with Section 420.907-9079, Florida Statutes and Chapter 67-37.007 Florida Administrative Code. The SHIP Program furthers the Housing Element in Section 5 of the St. Lucie County Comprehensive Plan.

**Cities and Counties must be in compliance with these applicable statutes and rules.**

- E. **Local Housing Partnership:**

The SHIP program encourages the development of active partnerships among government, lenders, builders and developers, real estate professionals, advocates for low-income persons and community groups.

St. Lucie County has a strong partnership with the St. Lucie County Lending Consortium. This partnership serves to protect clients from predatory lenders. Any financial institution or mortgage company that agrees to send representatives to semi-monthly meetings, provide a special lending package and support homebuyer education classes may join the consortium and offer first mortgage loans to SHIP applicants. The Consortium lenders have agreed to reduce their application fees, provide fixed rate mortgages at a reduced rate, waive PMI on loans from 80% to 90% loan-to-value, and waive origination fees and/or points for SHIP applicants. When bond funding is available and can be used in the best interest of the SHIP applicant, origination fees and/or points may be required and paid from SHIP funding. SHIP applicants must have a loan pre-approval letter



from a member of the St. Lucie County Lending Consortium prior to closing.

**F. Leveraging:**

The LHAP is intended to increase the availability of affordable residential units by combining local resources and cost saving measures into a local housing partnership using public and private funds to reduce the cost of housing. SHIP funds may be leveraged with or used to supplement other Florida Housing Finance Corporation programs and to provide local match to obtain Federal housing grants or programs.

**G. Public Input:**

Public input was solicited through face-to-face meetings with housing providers, social service providers, local lenders and neighborhood associations. Public input was solicited through the local newspaper in the advertising of the Notice of Funding Availability and posting the LHAP online for comments.

**H. Advertising and Outreach:**

St. Lucie County shall advertise the Notice of Funding Availability in a newspaper of general circulation serving ethnic and diverse neighborhoods, at least 30 days before the beginning of the application period. If no funding is available due to a waiting list, no Notice of Funding Availability is required.

**I. Discrimination:**

In accordance with the provisions of Florida Statute 760.20-760.37, it is unlawful to discriminate on the basis of race, creed, religion, color, age, sex, marital status, familial status, national origin, or handicap in the award application process for eligible housing.

**J. Support Services and Counseling:**

Support services are available from various sources. Available support services may include, but are not limited to: Homeownership Counseling, Credit or Mortgage Delinquency Counseling, Foreclosure Prevention and Budget Counseling.

**K. Purchase Price Limits:**

**Purchase Price Limits:** The sales price or value of new or existing eligible housing may not exceed 90% of the average area purchase price in the statistical area in which the eligible housing is located. Such average area purchase price may be calculated for any 12-month period beginning not earlier than the fourth calendar year prior to the year in which the award occurs. The sales price of new and existing units, which can be lower but may not exceed 90% of the median area purchase price established by the U.S. Treasury Department or as described above.

The methodology used by St. Lucie County is:

  X   Bond Study Numbers provided by Florida Housing Finance Corporation

\_\_\_\_\_ Independent Study (copy attached)  
\_\_\_\_\_ U.S. Treasury Department

The purchase price limit for new and existing homes is shown on the Housing Delivery Goals Charts.

**Purchase prices for subsequent years will automatically adjust to the new bond study limits in effect, without passage of a new resolution each year.**

**L. Income Limits, Rent Limits and Affordability:**

The Income and Rent Limits used in the SHIP Program are updated annually by the Department of Housing and Urban Development and distributed by Florida Housing Finance Corporation. Affordable is defined as the expense for monthly rent or mortgage payment, including taxes and insurance, do not exceed 38% of that amount which represents the percentage of the median annual gross income for the households as indicated in Sections 420.9071 (19), (20) and (28), F.S. However, it is not the intent to limit an individual household's ability to devote more than 38 percent of its income for housing. Housing for which a household devotes more than 38% of its income shall be deemed affordable if the first institutional mortgage lender is satisfied that the household can afford mortgage payments in excess of the 38% benchmark. In the case of rental assistance, the payment may not exceed those rental limits adjusted for bedroom size.

**M. Welfare Transition Program:**

St. Lucie County has developed a system and selection criteria for applications for awards to eligible sponsors. The system includes a description of how eligible sponsors that employ personnel from the Welfare Transition Program will be given preference in the selection process. Use of this program is not required.

**N. Monitoring and First Right of Refusal:**

In the case of rental housing, Housing Division staff will annually monitor and determine tenant eligibility. Other government entities may also be relied upon to monitor and determine eligibility, as appropriate. However, any loan or grant in the original amount of \$3,000 or less shall not be subject to annual monitoring and determination of tenant eligibility requirements. Tenant eligibility will be monitored annually for 15 years or the term of assistance, whichever is longer unless as specified above.

Eligible sponsors that offer rental housing for sale before 15 years or that have remaining mortgages funded under this program, must give a first right of refusal to eligible nonprofit organizations for purchase at the current market value for continued occupancy by eligible persons.

**O. Administrative Budget:**

A detailed listing, including line-item budget of proposed Administrative Expenditures, is attached as **Exhibit A**. This detailed budget is prepared on an



annual basis for each State fiscal year submitted.

St. Lucie County designates that the monies deposited in the local housing assistance trust fund shall be used to administer and implement the LHAP.

**Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, states:**

“A county or an eligible municipality may not exceed the 5 percent limitation on administrative costs, unless its governing body finds, by resolution, that 5 percent of the local housing distribution plus 5 percent of program income is insufficient to adequately pay the necessary costs of administering the local housing assistance plan.”

**Section 420.9075 Florida Statute and Chapter 67-37, Florida Administrative Code, further states:**

“The cost of administering the program may not exceed 10 percent of the local housing distribution plus 5-percent of program income deposited into the trust fund, except that small counties, as defined in s. 120.52(17), and eligible municipalities receiving a local housing distribution of up to \$350,000 may use up to 10 percent of program income for administrative costs.”

St. Lucie County has adopted the above findings in the attached resolution, **Exhibit E.**

**P. Program Administration:**

Administration of the LHAP is the responsibility of St. Lucie County. Should a third party entity or consultant contract for all or part of the administrative or other functions of the program, detailed duties, qualifications and selection criteria must be provided to Florida Housing Finance Corporation.

**Q. Essential Services Personnel:**

“Essential Service Personnel” is defined as all persons who contribute to the growth and well being of the County. This includes but is not limited to any person employed by educational, governmental and human service agencies; health care personnel; public safety personnel; any skilled building trades personnel or food service personnel.”

**R. Green Initiatives:**

On all rehabilitation and replacement projects, St. Lucie County is requiring the use of green, energy efficient materials, as appropriate. These materials include, but are not limited to, green building materials, energy efficient appliances, and renewable energy, such as photovoltaic and other renewable energy, as appropriate on projects.

The program consistently partners with other organizations to ensure program

success and resident satisfaction. This will continue to be our goal including the development of relationships with State certified apprenticeship programs, green and renewable energy loan and grant programs and more.

## II. LHAP HOUSING STRATEGIES:

### A. Homeownership – Purchase Assistance

- a. Summary of the Strategy:  
The Purchase Assistance Strategy provides down payment and closing cost funding to homebuyers purchasing homes within St. Lucie County.
- b. Fiscal Years Covered: 2010-2011, 2011-2012, and 2012-2013
- c. Income Criteria:  
This strategy will serve residents with household incomes at or below 120 percent of the area median income as defined in Section 420.9071 F.S. These limits are published annually and distributed by the Florida Housing Finance Corporation for use in the SHIP program.
- d. Maximum award is noted on the Housing Delivery Goals Charts:

Income Level	Maximum Award
<b>Very Low Income (0-50% AMI)</b>	\$25,000
<b>Low Income (51-80% AMI)</b>	\$25,000
<b>Moderate Income (81%-120% AMI)</b>	\$25,000

- e. Terms, Recapture and Default:  
Assistance to homeowners served under this strategy will be in the form of a deferred payment, zero percent interest loan secured by a lien on the property and forgiven in accordance with the following schedule:

Level of Assistance	Lien Period	Amortization
Under \$15,000	5 years	20% per year
\$15,001 to \$25,000	10 years	10% per year

The portion of the SHIP award used to pay the County's project delivery fee shall constitute a grant to the homebuyer and shall not be included in the lien against the property. Direct assistance to the buyer will be recaptured if at any time prior to the end of the lien period, the property ceases to be the principle residence of the owner or title is transferred. In the event of death of the owner, the same principal applies if the property is transferred within the lien period.



f. Recipient Selection Criteria:

Eligible applicants will be approved for assistance on a first qualified, first assisted basis, subject to funding availability. Completion of a County approved homebuyer education class is a requirement for all applicants receiving purchase assistance. All applicants must contribute at least \$500 to the purchase of a new home.


g. Sponsor Selection Criteria:

Not applicable. This strategy will be administered by the St. Lucie County Community Services – Housing Division according to SHIP rules and statutes.

h. Additional Information:

SHIP funds will be leveraged with institutional first mortgage lender financing and the homebuyer's private sources of funding.

To complement the Purchase Assistance Strategy, the County or an eligible sponsor will offer a Housing Counseling/Homebuyer Education Program. Attendance is mandatory at the Homebuyer Education course and the applicant must provide the Certificate of Completion prior to being deemed income eligible for assistance.

**B. Homeownership - Rehabilitation**

a. Summary of the Strategy:

This strategy provides for the repair of existing homes which are in substandard condition and may include the demolition and reconstruction if a home is beyond financial feasibility to repair. The strategy may also provide for water/sewer hookup assistance for failed or failing systems, water/sewer assessments and handicap accessibility improvements or modifications in dwellings in standard condition. All rehabilitation projects will include, where appropriate, storm resistant construction.

b. Fiscal Years Covered: 2010-2011, 2011-2012, and 2012-2013

c. Income Criteria:

This strategy will serve residents with household incomes at or below 120 percent of the area median income as defined in Section 420.9071 F.S. These limits are published annually and distributed by the Florida Housing Finance Corporation for use in the SHIP program.



- d. Maximum award is noted on the Housing Delivery Goals Charts:

<b>Repair</b>	\$40,000
<b>Reconstruction</b>	\$75,000
<b>Accessibility Improvements</b>	\$5,000

- e. Terms, Recapture, and Default:

Assistance to homeowners served under this strategy will be in the form of a deferred payment zero percent interest loan secured by a lien on the property and forgiven in accordance with the following schedule:

<b>Level of Assistance</b>	<b>Lien Period</b>	<b>Amortization</b>
Under \$15,000	5 years	20% per year
\$15,000 to \$40,000	10 years	10% per year
Over \$40,001 to \$60,000	15 years	6.67% per year
Over \$60,001	20 years	5% per year

Funds will be recaptured according to the above schedule if the property ceases to be the principal residence of the owner or title is transferred within the lien period. In the event of death of the owner, the same principle applies if the property is transferred within the lien period.

Accessibility improvements will only be provided in the form of a grant and will not be recaptured.

- f. Recipient Selection Criteria:

Eligible applicants will be approved for assistance on a first qualified, first assisted basis subject to funding availability. In compliance with established County policy, other selection criteria are as follows:

- Applicants must be able to demonstrate the ability to pay property taxes, insurance, utilities, and mortgage payments, if applicable.
- First time applicants will be given priority over previously assisted persons. Exceptions may be made for eligible property owners in cases where living conditions threaten the personal health and safety of the household.
- Applicants must be in good standing with the County (e.g. utility accounts and property taxes must be current and property must be free of code enforcement liens or any other assessments, unless owner is actively working to clear such obligations).
- Applicants must own and occupy the assisted home as their primary residence, as evidenced by proof of Homestead Exemption.

If there are more eligible applicants than funds, those applicants will be ranked using the point scale below. Those with the highest score in their income category will be chosen first, and those with lower scores will be assisted next or placed on a waiting list for the next funding cycle.

Degree of Emergency	
Roof failure, well and/or septic system failure, plumbing and/or electrical failure.	3 points for each system failure
Special Needs Households	20 points

Households which meet any of the following categories are considered special needs households:

Elderly (62 or older)	Large Family (Five or more)	Farm Worker
Handicapped	Disabled	Single Parent

A total of 32 points is possible. Funding will be awarded based upon total points scored in each income category as outlined above.

- g. Sponsor Selection Criteria:  
Not applicable. This strategy will be administered by the St. Lucie County Community Services – Housing Division according to SHIP rules and statutes.
- h. Additional Information:  
SHIP funds may be leveraged with other funding sources, if necessary.

**C. Homeownership – Disaster Relief**

- a. Summary of the Strategy:  
The Disaster Relief Strategy provides assistance to households following a natural disaster as declared by Executive Order of the President of the United States or Governor of the State of Florida. This strategy will only be implemented in the event of a natural disaster, using funds that have not yet been encumbered or additional disaster funds issued by Florida Housing Finance Corporation. Disaster Relief funds may be used for items such as, but not limited to:
  - (a) purchase of emergency supplies for eligible households to weatherproof damaged homes;
  - (b) interim repairs to avoid further damage; tree and debris removal required to make the individual housing unit habitable;
  - (c) construction of wells or repair of existing wells where public water is not available;
  - (d) payment of insurance deductibles for rehabilitation of homes



- covered under homeowner's insurance policies;
- (e) security deposit and/or rental assistance, for the duration of the natural disaster declaration, for eligible recipients that have been displaced from their homes due to damage from the event; and
- (f) other activities as proposed by the County and approved by Florida Housing.

- b. Fiscal Years Covered: 2010-2011, 2011-2012, 2012-2013
- c. Income Criteria:  
Households with annual income up to 120% of median income are eligible for assistance under this strategy and will be selected on a first come first served basis.
- d. Maximum award is noted on the Housing Delivery Goals Charts:  
The program provides moderate to substantial rehabilitation assistance on a first come, first served basis to low and moderate income homeowners in an amount not to exceed \$25,000.
- e. Terms, Recapture, and Default:  
Assistance will be in the form of a grant and will not be recaptured.
- f. Recipient Selection Criteria:  
Assistance will be on a first qualified, first assisted basis to persons with damage from a federal- or state-declared disaster. Applications for this strategy will be given priority above others on a waiting list for other strategies.
- g. Sponsor Selection Criteria:  
Not applicable. This strategy will be administered by the St. Lucie County Community Services – Housing Division according to SHIP rules and statutes.
- h. Additional Information:  
This strategy will be funded and implemented only in the event of a natural disaster declaration using any funds that have not been previously encumbered in existing strategies.

Assistance is leveraged with the applicants' own source of funds (e.g. insurance) and may be leveraged with other federal and/or state emergency programs.

**D. Homeownership - Foreclosure Prevention**

- a. Summary of Strategy:  
The Foreclosure Prevention strategy will provide assistance to qualified homeowners to retain their homes and prevent foreclosure action of the

first mortgage. Applicants must be delinquent at least two full monthly mortgage payments, in receipt of a letter from the mortgagor notifying the applicant of delinquency and/or notice of intent to foreclose.

- b. Fiscal Years Covered: 2010-2011, 2011-2012, and 2012-2013
- c. Income Criteria: This strategy will serve residents with household incomes at or below 120 percent of median income as defined in Section 420.9071 F.S. These limits are published annually and distributed by the Florida Housing Finance Corporation for use in the SHIP program.
- d. Maximum Award is noted on the Housing Delivery Goals Chart:  
The program provides \$5,000.00 toward eligible expenses. Eligible expenses include delinquent mortgage payments (principal, interest, taxes and insurance), attorney's fees, late fees and other customary fees associated with delivery costs. Brokerage fees are not an eligible expenditure.
- e. Terms, Recapture and Default: All homeowners receiving assistance will be given a zero percent (0%) interest deferred loan. The term of each deferred loan is described below:

Level of Assistance	Lien Period	Amortization
Up to \$5,000	5 years	20% per year

Funds will be recaptured according to the above schedule, if the property ceases to be the principal residence of the owner or title is transferred within the lien period. In the event of death of the owner, the same principle applies if the property is transferred within the lien period.

- f. Recipient Selection Criteria:
- This strategy is designed to assist individuals who have fully amortized conventional mortgages; including, but not limited to, Rural Development, Federal Housing Administration and Veteran's Administration loans. No other mortgage products will be accepted.
  - Eligible households will be served on a first qualified, first assisted basis with preference given first to applicants below 80% of median household income.
  - This program offers one time only assistance.
  - Applicants must attend and complete a budgeting course through an approved counseling agency.
  - Applicants must verify the ability to avoid default by showing the bank is willing to stop foreclosure upon assistance and must show the ability to make monthly mortgage payments.



- Foreclosure prevention applicants must provide documentation that the nonpayment of the mortgage is due to the following eligible reasons:
  - Loss of full or part time employment
  - Sudden medical expenses
  - Divorce or separation
  - Death in the family
  - Unforeseen home repair bills

- h. Additional Information:  
SHIP funds may be leveraged with other funding sources, if necessary.

### III. LHAP INCENTIVE STRATEGIES

#### A. **Expedited Permitting**

Permits as defined in s. 163.3164(7) and (8) for affordable housing projects are expedited to a greater degree than other projects.

Established policy and procedures:

St. Lucie County's permitting process shall remain as it exists. However, if affordable housing projects begin to experience delays of more than four weeks during the permitting process (beyond the normal/reasonable permitting time) and not related to developer changes, then such affordable housing projects will be processed ahead of other projects. For the purposes of expedited permit processes, affordable housing projects will be identified as those projects assisted with State or Federal funds.

#### B. **Ongoing Review Process**

Established policy and procedures:

A process is in place by which the local government considers, before adoption, the impact of proposed policies, procedures, ordinances, regulations, or plan provisions has upon the cost of housing. County staff is assigned the task of reviewing proposed regulations that may significantly affect affordable housing in St. Lucie County. County staff will report those findings and make recommendations to the Board of County Commissioners, where appropriate.

### IV. EXHIBITS:

#### A. **Administrative Budget for each fiscal year included in the Plan. Exhibit A.**

#### B. **Timeline for Encumbrance and Expenditure:**

A separate timeline for each fiscal year covered in this plan is attached as Exhibit

#### C. **Housing Delivery Goals Chart (HDGC) For Each Fiscal Year Included in the Plan:**

Completed HDGC for each fiscal year is attached as Exhibit C.

- D. Certification Page:**  
Signed Certification is attached as **Exhibit D.**
- E. Adopting Resolution:**  
Original signed, dated, witnessed or attested Board of County Commissioner approved, adopting resolution is attached as **Exhibit E.**
- F. Program Information Sheet:**  
A completed program information sheet is included as **Exhibit F.**